



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 17, 1999

### **S. 566**

### **Agricultural Trade Freedom Act**

*As ordered reported by the Senate Committee on Agriculture, Nutrition, and Forestry  
on May 26, 1999*

S. 566 would exempt commercial sales of agricultural commodities from current and future unilateral economic sanctions imposed by the United States on a foreign country or entity, unless the Congress has declared a state of war, or the President determines that applying the sanctions to agricultural commodities would be in the national interest. However, the exemption from sanctions would not apply to agricultural commodities sold with certain federal subsidies or financing specified in the bill.

The President would be required to report to the Congress regarding his determination that applying the unilateral economic sanction to agricultural commodities is in the national interest, and thus the exemption from sanctions should not apply. The bill would establish procedures for the Congress to consider a joint resolution to disapprove the President's report, overriding his determination.

S. 566 could affect direct spending if unilateral agricultural sanctions are imposed less frequently or are of shorter duration than under current law. CBO has no basis for predicting the likelihood, duration, or market effects of future sanctions, or the likelihood of future Congressional action to approve or disapprove of such sanctions. But the bill would not affect most federally supported sales of agricultural commodities, and thus, CBO estimates that enacting S. 566 would probably have no significant budgetary impact.

Because the bill could affect direct spending, pay-as-you-go procedures would apply. S. 566 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO contacts for this estimate are Craig Jagger and Dave Hull, and Joseph C. Whitehill. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.